



DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Extension and Expansion
of Entitlement to Certain Special Pays and Bonuses (DFAS Item J-63)

Attached is Interim Change 24-01 to Chapters 9, 12, and 20 of the Defense Financial Management Regulation (DoDFMR), Volume 7A. It is effective as indicated, except that the changes to paragraphs in the 0904 section became effective April 26, 2001. This change expands and extends entitlement to certain special pay authorities and bonuses for Active and Reserve forces.

We have evaluated your comments on the proposed change and included them where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.

Gloria D. Harris
for Jerry S. Hinton
Director for Finance

Attachment
As stated

cc: OUSD(C)(ODCFO)(FP)
DASD(MPP)(Comp)
ODGC(F)
Service Liaisons
USCG/NOAA/PHS Liaisons
DFAS-DDM/CL
DFAS-GAM/DE
DFAS-PMA/CL
DFAS-PMJE/DE

EXTENSION ON EXPIRATION OF CERTAIN BONUSES AND EXPANSION OF
CERTAIN SPECIAL PAY AUTHORITIES FOR ACTIVE AND RESERVE FORCES

1. Revise paragraph 090101.A, to read as follows:

090101.A. Enlists in an armed force for a period of at least 2 years.

2. Delete paragraphs 090101.D and 090101.F and renumber paragraph 090101.E to 090101.D.

3. Revise paragraph 090103 to read as follows:

090103. Time of Payment. An enlistment bonus may be paid upon completion of training. A bonus under this section may be paid in a single lump sum, or in periodic installments.

4. In paragraph 090104 change "December 31, 2000" to "December 31, 2001."

5. Delete paragraphs 090105 and 090107.

6. Renumber paragraph 090106 to 090105, and in subparagraph A., replace "...4 years in a skill designated as critical..." with "2 years". Also in 090106.C which is renumbered to 090105.C, change "0904" to "0905".

7. Renumber all paragraphs in section 0904 to paragraphs under section 0905 and insert a new section 0904 to read as follows:

0904 RETENTION BONUS FOR MEMBERS QUALIFIED IN A CRITICAL SKILL

090401. Basic Conditions of Entitlement. Effective October 1, 2000, an officer or enlisted member of the armed forces who is serving on active duty and is qualified in a designated critical military skill may be paid a retention bonus as provided in this section if:

A. in the case of an officer, the member executes a written agreement to remain on active duty for at least 1 year; or

B. in the case of an enlisted member, the member reenlists or voluntarily extends the member's enlistment for a period of at least 1 year.

090402. Designation of Critical Skills. A designated critical military skill is a military skill designated as critical by the Secretary of Defense.

090403. Payment. A bonus under this section may be paid in a single lump sum or in periodic installments. A retention bonus paid under this section is in addition to any other pay and allowance to which the member is entitled.

090404. Amount of Retention Bonus. A member may enter into an agreement, reenlist, or voluntarily extend enlistment, more than once to receive a bonus under this section. However, the total amount of all bonuses received under this section may not exceed \$200,000.

090405. Ineligible Members. A retention bonus may not be provided to a member of the armed forces who:

- A. has completed more than 25 years of active duty; or
- B. will complete the member's twenty-fifth year of active duty before the end of the period of active duty for which the bonus is being offered.

090406. Expiration of Entitlement. No bonus may be paid under this section with respect to any reenlistment, or voluntary extension of an enlistment, in the armed forces entered into after December 31, 2001.

090407. Loss of Entitlement and Recoupment of Bonus. The Secretary of Defense may require the member to repay any unearned portion of a retention bonus. See paragraph 090501 of this volume for legal requirements regarding recoupment of unearned portions of retention bonuses.

8. In paragraphs 090205.B and 090205.D, change "0904" to "0905".

9. In the paragraph renumbered to 0905, change the title to read as follows:

0905 RECOUPMENT OF ENLISTMENT, REENLISTMENT AND RETENTION BONUSES

10. Revise the paragraph renumbered to 090501 to read as follows:

090501. Legal Requirements. Recoupment of unearned portions of enlistment bonuses, reenlistment bonuses (regular and selective) and retention bonuses is required.

11. Add a new paragraph 090501.C to read as follows:

- C. When an officer who has entered into a written agreement fails to complete the total period of active duty specified in the agreement.

11. In the paragraph renumbered to 090503, change "...enlistment or reenlistment bonuses..." to read "...enlistment, reenlistment, or retention bonuses...".

12. Change the paragraph renumbered to 090506.C to read as follows:

C. Enlistment and Retention Bonuses. The same principle that is applied to the recoupment of a RRB applies to enlistment and retention bonuses.

13. In the paragraph renumbered as 090506.D, change "...enlistment/reenlistment..." to "...enlistment, reenlistment, and retention...".

14. In paragraph 2001, change "December 31, 2000" to read "December 31, 2001".

15. In paragraph 090206, change "December 31, 2000" to read "December 31, 2001".

16. In paragraph 120101, change "December 31, 2000" to read "December 31, 2001".

17. In paragraph 120201, change "December 31, 2000" to read "December 31, 2001".

18. In paragraph 120301, change "December 31, 2000" to read "December 31, 2001".

19. Replace the Bibliography citations for all of section 0901 with the following:

Section	Paragraph	Citation
0901—Enlistment Bonus		DoDD 1304.21 DepSecDef Memo, April 26, 2001 37 U.S.C. 309 Public Law 106-398, section 624, October 30, 2000
	090105.A	58 Comp Gen 282

20. Replace the Bibliography citations for all of section 0904 with the following:

Section	Paragraph	Citation
0904—Retention Bonus for Members Qualified in a Critical Skill		37 U.S.C. 323 Public Law 106-398, section 633, October 30, 2000

21. Change the heading as indicated below and add the following Bibliography citations to section 0905 as renumbered from the existing section 0904:

Section	Paragraph	Citation
0905—Recoupment of Enlistment, Reenlistment and Retention Bonus		DoDD 1304.21 37 U.S.C. 309(b) Public Law 106-398, section 624, October 30, 2000
	090501	37 U.S.C. 323(g) Public Law 106-398, section 633, October 30, 2000

22. In the bibliography replace the citation "Public Law 106-65, Section 613, Oct 5, 1999" with "Public Law 106-398, Section 623, October 30, 2000" for paragraphs 090206, 120101, 120201, 120301, and 2001.